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**Details: Editorials** 

(FORM UPDATED: 08/11/2010)

### WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

### Senate

(Assembly, Senate or Joint)

Committee on ... Commerce, Utilities, and Rail (SC-CUR)

### **COMMITTEE NOTICES ...**

- Committee Reports ... CR
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- Public Hearings ... PH

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

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- Clearinghouse Rules ... CRule (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)

(ab = Assembly Bill)

(ar = Assembly Resolution)

(ajr = Assembly Joint Resolution)

(**sb** = Senate Bill)

(**sr** = Senate Resolution)

(**sir** = Senate Joint Resolution)

Miscellaneous ... Misc

<sup>\*</sup> Contents organized for archiving by: Gigi Godwin (LRB) (November/2011)

### Venskus, Katy

From:

Judge, Richard J. [rjudge@foley.com]

Sent:

Wednesday, February 21, 2007 12:01 PM

To:

Venskus, Katy

Subject:

story

Attachments: phonecomp.pdf; Wisconsin State Journal2.htm; Wisconsin State Journal.htm

Katy,

Thanks for taking the time to meet with Joe and I yesterday. This is the story from the Sunday Wisconsin State Journal about Charter's increase in complaints as they have worked to add new services to their product portfolio:

### **Customers growling at Charter**

### **JUDY NEWMAN**

608-252-6156

February 17, 2007

Nearly three years ago, Charter Communications took on Ma Bell in southern Wisconsin, rolling out a triple-telecom package that bundled phone service along with its TV and cable modem Internet services.

Since then, Charter telephone customers around the state have complained about problems that included phone calls that go dead, recurring outages, long waits to talk to customer service representatives or customer service calls that wind up in the Philippines, according to a review of state records by the Wisconsin State Journal.

And mounting consumer complaints concerning all of Charter's services in the last year have led a state agency to begin investigating the company. Charter officials say the rising number of complaints is consistent with their increase in customers.

Further complicating the issue is confusion over who is watching over companies such as Charter as they try to expand into new areas like phone service, nudging customers away from traditional providers. Even some state employees aren't sure of their role because the old rules regarding phone companies don't always apply to the upstarts.

"The best Latin phrase is: caveat emptor - buyer beware," said UW-Madison telecommunications professor Barry Orton.

### 'A common thread'

The state Department of Agriculture, Trade and Consumer Protection (DATCP) has been watching complaints pile up against Charter and launched an investigation in June. No report has been issued yet. If a case against any company is serious enough, DATCP can ask the state attorney general's office to seek action.

While it's not unusual for agency staff to take a closer look at the biggest service providers, Charter drew attention because of a sharp increase in the number of complaints, said Jim Rabbitt, director of DATCP's Bureau of Consumer Protection.

In 2006, DATCP fielded about 195 consumer complaints against Charter, including at least 53 that cited phone- related problems. That's more than five times as many as in 2005, when DATCP handled 37

Charter complaints and four times the 49 complaints against Charter in 2004 from customers statewide.

"With this many complaints, we are taking a look at the company. We have asked an investigator to see if there's a common thread," Rabbitt said.

Tim Vowell, Charter's director of government relations in southern Wisconsin, defends the company's services and said Friday that he was surprised to hear about the investigation.

### 3 main categories

Charter's expansion into telephone service means that the company now provides what many see as a vital service. It also brings Charter into the realm of the Public Service Commission, which is the primary state agency with authority over telephone companies. PSC staff handled 74 complaints about Charter's phone service in 2006.

While DATCP is more likely to deal with claims that a company has changed the terms of a customer's contract, the PSC holds competitive local phone companies to technical service quality requirements and often handles complaints about billing and disconnection, said Gary Evenson, administrator of the PSC's telecommunications division.

The Charter phone complaints fall into three main categories, according to a State Journal review of the transcripts of more than 60 complaints to the PSC last year:

Outages and service disruptions.

Errors by Charter employees.

Customer service hassles.

To the PSC, Charter's complaint numbers are not enough to "stand out" in comparison to other phone companies, Evenson said.

"Service problems relative to all their complaints were noticeable," he said. "(But) were they higher than other companies? I did not check that."

Evenson also said complaints are "a fact of life. They're seeing growth of about 300 percent in the number of lines they've got out there. So growth in the number of complaints seems like a logical follow-on."

Charter officials, however, deny that rapid growth is causing quality problems - only that they have more customers to complain.

"We have done extensive planning in terms of launching the phone service and have continued to expand in the marketplace in a very calculated way," Vowell said.

### A software problem

Vowell said Charter looks into each customer's complaints.

"Obviously, we do have (phone) outages from time to time, as do any other providers," Vowell said. Charter also has been upgrading and expanding its services here, he said, adding: "In our business, as well as any other, you're continually working on the network."

Some phone complaints to the PSC last year stemmed from a computer software problem that is now resolved, he said. In October, Charter changed its software platform for Wisconsin as part of a nationwide network upgrade. Complaints of telephone disruptions from the Madison area came through

"sparsely, at first," he said.

"As we began to see we were having to go out (to customers' locations) multiple times, then we began to dig deeper and see that there was a software glitch," Vowell said. He said relatively few customers were affected, and the problem was fixed in mid-December.

Asked about phone complaints earlier last year in areas such as Oregon and McFarland, Vowell said there have been some "technical issues from time to time, not unlike any other provider." They have included "isolated areas that needed replacement of existing cable" or other updates.

As far as customer service issues, Charter started restructuring its centers last year, closing some to save money, Vowell said. Wisconsin Charter customers' calls are directed first to Fond du Lac; Walker, Mich.; and Rochester, Minn. If those centers are busy, calls bump to other locations.

The company also contracts with customer service centers in Canada, Brazil, Mexico City and the Philippines, Vowell said, adding, "Charter employees are located there to monitor the level of service . . (Subscribers) should be receiving top-quality customer service."

Charter's media relations spokesman in Madison, Bob Pinter, said 12.7 percent of all calls to Charter, nationwide, are handled in Brazil or the Philippines, 5.2 percent in Canada, and the 1 percent that go to Mexico are "an added service for our Latino customers."

Vowell said call centers designated to handle specific customer concerns are in the works.

### Rollout in progress

Charter began offering telephone service in southern Wisconsin in 2004, first for Janesville and Beloit, then adding smaller communities such as Oregon and Sun Prairie. Madison became part of the network in 2005 and the rollout is still in progress, a few cities at a time, Vowell said.

"It's been awesome," he said. The marketing campaign is "going very well for us." Just last week, Charter announced that nationwide, the company has now signed up more than 500,000 telephone customers, in cities that include St. Louis - where Charter has its headquarters - as well as Los Angeles, Reno and Fort Worth.

But Charter won't say publicly how many phone customers it has in Wisconsin, which makes it difficult to compare its record to traditional phone companies, which must disclose this information by law. Even though Charter provides phone service, it's not bound by the same rules as traditional phone companies because government regulations are more lenient for their newer competitors.

But based on one of Vowell's statements and the State Journal's review of state records, it's clear that Charter angered more of its phone customers last year than companies with a bigger share of that market. (See accompanying graphic.)

### A timely reminder

Customer complaints about Charter's phone service began long before a fiber-optic cable was cut in Madison on Feb. 11 - possibly by vandals. But the outage, which disrupted service to thousands of Charter's cable TV, Internet and phone customers, was a timely reminder to some of the company's reliability problems.

"We would have no dial tone; we wouldn't receive voice-mail for days, and calls were dropping in and out," Charter customer Minda Maurer, 37, of McFarland, said of phone problems she had for several

months last summer.

Irv and Sandy Lampman say they have had erratic phone service since they moved to their Stoughton apartment from Fitchburg in September.

"It's been off and on, and off and on," Irv Lampman, 66, said. "I had not two or three days in four months that I had a good, solid, working telephone."

For the Lampmans, it's not just an annoyance: It's a health risk. Sandy Lampman, 51, has epilepsy and can have a grand mal (major) seizure at any time. "When that happens, we need to be able to summon help immediately," Irv Lampman said.

With mediation from PSC staff, Charter subtracted four months of charges from the Lampmans' phone bill and gave the couple a cell phone to use, with 300 minutes of call time.

Why don't these exasperated customers drop Charter? The theory behind fewer regulations is that the market enforces accountability. "... A customer can choose them or choose somebody else if they want," said the PSC's Evenson.

Some customers who filed complaints have dropped Charter's phone service. But for some, like Maurer, Charter's price keeps them working with the company.

"We all love to hate the cable company, but I don't want to hate them," Maurer said. "I want them to figure it out and make it work." •

### **Customers' stories**

A few examples of complaints filed with the Public Service Commission last year against Charter Communications. The complaints over phone service focus on three main areas:

**Outages and service disruptions** An Oregon man called the PSC on July 25 complaining about loss of dial tone, dropped calls, echoes and static on his line for three months. Seven service calls hadn't resolved the problem.

**The PSC staffer noted:** "Three times when I was on the phone with (the customer) taking his complaint, the line on my end went silent for a few seconds and I could not hear him."

**Response from Charter to the complaint:** "With further research, Charter discovered this is an areawide issue. Charter technicians continue to work on the issue."

### **Errors by Charter employees**

The daughter of an elderly Jefferson woman called Nov. 29 saying her mother's phone and TV were mistakenly disconnected Nov. 21. "Each day different members of my family have been calling Charter on my mother's behalf. To be elderly with no access to 911 is horrid . . . Each day we are told, 'Today your mother will get her phone back' and it never happens!" The next day, the daughter called again, saying her mother could not get her phone number back.

**Response from Charter:** The company acknowledged that a customer service representative had mistakenly disconnected all of the customer's services, though the request was only to drop Internet service. Then, Charter acknowledged, the reconnection order was handled incorrectly, leading to a delay and a new phone number. "Charter records reflect customer's number was corrected and telephone

service reconnected on Nov. 29."

### Customer service hassles

A Wausau man said Charter stopped his phone service for no reason. "Numerous hours have been spent on cell phone and online trying to restore service. Different reasons have been given for their mistake. Three days later, still no service man has arrived or has service been restored. Countless work hours have been lost," the man e-mailed the PSC on Dec. 11.

Charter's response to the PSC on Dec. 26: "Charter has spoken with the customer, addressed the above issues and apologized for the inconvenience."

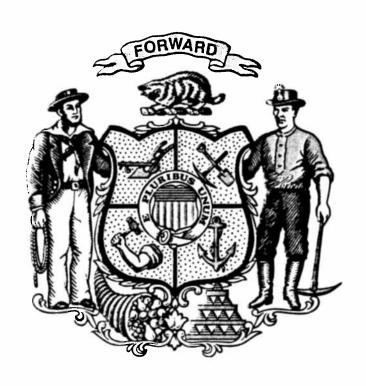
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### **EDITORIALS**

VIDEO COMPETITION

### A statewide solution

Long-awaited competition for cable television is coming, but the new entrants to this market shouldn't have to negotiate with every community to begin providing service.

he price of cable television climbed 93% alone in the decade that ended in 2005. But this year, cable rates have moderated, and the reason is pretty simple: As telephone companies like AT&T push into the video business, cable operators are finally feeling the mind-altering effects of real competition.

But for that to flourish in Wisconsin, a statewide approach is needed to allow competitors to quickly enter the market. Such a solution is being offered in a bill sponsored by state Rep. Phil Montgomery (R-Ashwaubenon) and state Sen. Jeff Plale (D-South Milwaukee).

Their measure would create a statewide franchise for video services, eliminating the need for challengers to negotiate agreements in every community they plan to serve.

Local municipalities have a big stake in the matter and legitimate concerns. They should control their own rights of way, for example, and demand guarantees that local access channels remain available. New competitors shouldn't be allowed to cherry-pick only the most affluent customers. The Montgomery-Plale bill addresses these concerns.

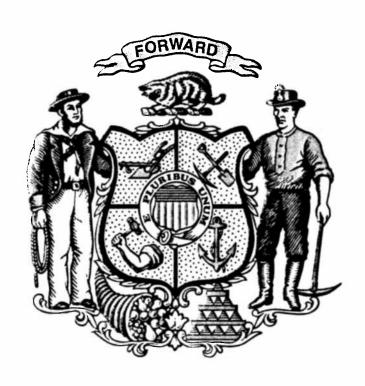
Under the bill, both cable and video providers would have to obtain state-issued franchises and remit 5%

of gross receipts to the municipalities they serve. Those payments would be made directly to municipalities — and would not be funneled through the state. Local authorities would maintain control over rights of way. Public, educational and government channels would be preserved, and the bill prohibits discrimination based on income or race.

The bill, which hasn't been formally introduced, isn't perfect. Stronger customer service protections may be needed. And a provision requiring a decision of the state within 10 days of application probably doesn't provide enough time. Other tweaks may be needed, too, but it's a solid start.

The City of Milwaukee is negotiating a settlement with AT&T after filing a federal lawsuit in December aimed at requiring the company to negotiate a cable franchise agreement before offering its Internet protocol video service. Other communities have joined the Milwaukee lawsuit, so it's possible that a settlement could provide a template for how AT&T's service will roll out across the area.

But a statewide solution is by far the better path — one that other states are choosing. Competition shouldn't have to wait.





### Phil Montgomery

Serving the Communities of Allouez, Ashwaubenon, De Pere and Green Bay

12A Saturday, March 24, 2007

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**VIDEO FRANCHISING** 

### Adopt the 5% solution

Municipalities should be able to provide public access programming with a 5% cut of video revenue.

espite the tentative deal reached last week between AT&T and the City of Milwaukee, Wisconsin still needs a statewide video franchising law.

The Milwaukee agreement, which came after the city filed a federal lawsuit in December, calls for AT&T to pay a license fee that amounts to 5% of gross revenue. It also requires the company to build out at least 25% of the households within the three-year term of the agreement. A summary of the deal says that at least 25% of those households are expected to be lowincome.

The agreement will let the company launch its Internet video service as a competitor to cable television. Elements of the Milwaukee deal may well become a model for other communities around the state. These are generally good things.

But there's this: The company will also be required to pay an additional 2% of gross revenue to help fund public, educational and government programming. That's more than the 1% that Time Warner pays now.

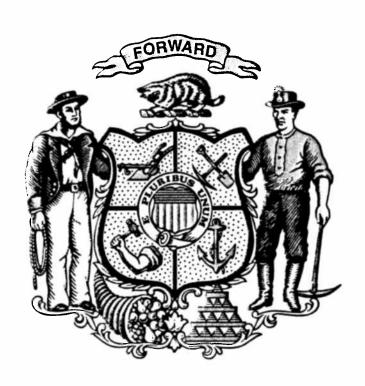
These taxes — let's call them what they are — are passed along to consumers. The city and other municipalities ought to be able to provide government access programming out of their 5% cut. If they can't, taxpayers should ask their elected officials to explain why they can't.

The proposed legislation by state Rep. Phil Montgomery (R-Ashwaubenon) and state Sen. Jeff Plale (D-South Milwaukee) includes many of the same provisions as the city deal with AT&T but does not include the additional 2% fee. Montgomery questions the need for it.

He's right to keep pushing for a statewide solution. Competitors should not be forced to negotiate with each community in which they want to offer service or face federal lawsuits just because they want to bring much-needed competition to cable television.

Communities have legitimate interests, but those interests should not stand in the way of helping consumers get a better deal for video services.

Should the Legislature proceed with its video franchising bill? Why or why not? E-mail jsedit@journalsentinel.com





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### **Editorial: Let competition begin**

The state Senate should pass a measure that will open up the video services business in Wisconsin to competition, and Gov. Jim Doyle should sign it.

From the Journal Sentinel

Posted: April 29, 2007

The state Senate should pass a bill to set up a statewide system for video franchising. The bill, which passed the Assembly last week and was referred to the Joint Finance Committee by the Senate, opens the door for the first time to real competition in video services.

It gives competitors a single franchise agreement covering the entire state, scuttling an antiquated system that forces companies to negotiate agreements one community at a time. The latest version contains stronger consumer protections, including a subscriber bill of rights. It also gives the state Department of Agriculture, Trade and Consumer Protection the ability to write additional rules and puts the department in charge of taking complaints.

Will the consumer protection agency be swamped with calls, as some have warned? Even though the workload will increase - and the department will need funding for that - video providers are expected to take initial consumer complaints, as they do now, and deal with them. The state offers an alternative if the customer doesn't get satisfaction.

Local officials remain skeptical of a provision that limits their take to 5% of gross revenue. They gripe that they lose the extra cut from cable companies - typically 2% - that many negotiated to pay for local access programming. The bill allows those extra payments to continue for a time before they are phased out. Remember, the fees are tacked onto consumers' bills.

Nationwide, the price of cable television shot up 93% in the decade ending in 2005. But this year, cable rates moderated as telephone companies pushed into the business and cable operators responded to the challenge.

Competition is the ultimate consumer protection.

To read the bill, go to www.legis.state.wi.us/2007/data/SB107hst.html

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Should the Legislature proceed with its video franchising bill? Why or why not? E-mail

### JOURNAL SENTINEL

### **Editorial: A statewide solution**

Long-awaited competition for cable television is coming, but the new entrants to this market shouldn't have to negotiate with every community to begin providing service.

The Milwaukee Journal Sentinel March 14, 2007

The price of cable television climbed 93% alone in the decade that ended in 2005. But this year, cable rates have moderated, and the reason is pretty simple: As telephone companies like AT&T push into the video business, cable operators are finally feeling the mind-altering effects of real competition.

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Local municipalities have a big stake in the matter and legitimate concerns. They should control their own rights of way, for example, and demand guarantees that local access channels remain available. New competitors shouldn't be allowed to cherry-pick only the most affluent customers. The Montgomery-Plale bill addresses these concerns.

Under the bill, both cable and video providers would have to obtain state-issued franchises and remit 5% of gross receipts to the municipalities they serve. Those payments would be made directly to municipalities - and would not be funneled through the state. Local authorities would maintain control over rights of way. Public, educational and government channels would be preserved, and the bill prohibits discrimination based on income or race.

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But a statewide solution is by far the better path - one that other states are choosing. Competition shouldn't have to wait.

### Editorial

MORE INFO ALL DAY milwaukee.bizjournals.com

PAGE A54 MAY 4, 2007 THE BUSINESS JOURNAL

### Cable bill needs approval

ow that all the tinkering has been done and the amendments have been added to a bill that would level the playing field for television programming providers, it is time for the state Assembly and Senate to approve the legislation.

The bill, introduced by state Sen. Jeff Plale (D-South Milwaukee) and state Rep. Phil Montgomery (R-Ashwaubenon), would eliminate municipal cable franchises and shift the approval process to the state.

Lobbyists have spent the past few months pushing lawmakers to amend the bill to make it more friendly to municipalities and telecommunications companies, led by AT&T, which is launching its U-verse cable television service.

In fact, the bill has seen the most lobbying of any bills so far this legislative session. The legislation is likely to rank among the most-lobbied in recent years.

The upgrades have helped the bill to guarantee revenue levels for municipalities, ensure consumer quality and require funds for governmental-access television.

It is time for the state Legislature and Gov. Jim Doyle to act to ensure Wisconsin does not fall behind other states. Michigan and Indiana have already passed similar bills, while legislation is pending in Ohio and Illinois.

### Business Journal

Friday, March 16, 2007

### New video bill good for consumers

The Business Journal of Milwaukee

It has been proven in most industries that competition is good for consumers. That is why it was welcome to see state lawmakers introduce a bill that would level the playing field for television programming providers.

The bill, introduced by state Sen. Jeff Plale (D-South Milwaukee) and state Rep. Phil Montgomery (R-Ashwaubenon), would eliminate municipal cable franchises and shift the approval process to the state.

The bill preserves a franchise fee of up to 5 percent of revenue to be paid to municipalities by all television service providers. This would put all cable and satellite television providers under the same rules.

It would also mean that providers would not have to negotiate agreements with every municipality they want to serve, a process that has been full of politics for decades.

This is an industry that is seeing much more competition. AT&T recently began rolling out its U-Verse Internet-based television service, which competes directly with Time Warner Cable, the Milwaukee area's dominant cable provider.

The state Legislature and Gov. Jim Doyle need to approve the bill. It is legislation that will benefit the consumers by providing more competition, which ultimately will lead to lower prices.

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### **OPINION**

**TUESDAY** 

JULY 24, 2007

Editorial page editor Scott Milfred 608-252-6110

**A6** 

**OUR OPINION** 

### Give consumers cable TV choice

able television subscribers in Wisconsin can choose to watch hundreds of different channels, from Animal Planet to VH-1.

But they have precious few choices — or no choice at all — when it comes to picking a cable television provider. That needs to change. And a bill moving through the Legislature would do the job.

The Legislature should send the video competition bill to the governor's desk soon after the state budget is finished.

The bipartisan bill would encourage telephone

Municipal officials need to accept the fact that their lucrative cable TV contracts are becoming outdated.

company AT&T and others to enter the cable TV picture and hustle for customers against traditional providers such as Charter Communications.

If consumers didn't like their cable bill, service or programming, they could switch providers. They also could expect better deals to choose from, such as bundled packages of television, high-speed Internet, land line and mobile telephone services.

All of this technology is changing fast and coalescing. The video competition bill would recognize this future by making it easier for more providers to enter the market.

No longer would video providers have to go through the tedious task of negotiating cable television deals with hundreds of individual communities across Wisconsin. Instead, they could negotiate a single contract with the state. Not surprisingly, local municipal leaders are opposing the bill. They don't want to cede control of the process or lose even a smidgen of the generous revenue stream cable TV now provides them.

But the bill, in its current form, would cushion the financial impact on local governments. It also would respect the need for local government-related programming, such as the broadcasting of City Council meetings.

The bill would require cable television providers to dedicate certain channels to locally-produced programming. In addition, the bill would continue to steer a franchise fee to local governments for access to public rights-of-way.

The money from the franchise fee is far more than local governments now spend on local-access and government-focused programming. On top of that, Madison and a small number of other communities receive a second fee that would be phased out over time.

Local officials need to accept the fact that their lucrative cable TV contracts are becoming outdated. It's time for local leaders to stick up for consumers instead to clinging to a convenient revenue stream that inflates cable TV prices.

Unfortunately, local leaders are so worried about losing fees that they are resorting to scare tactics. They're suggesting AT&T will mount 5-foot-high boxes right in front of people's homes if the video competition bill is approved.

In reality, the boxes will be placed inconspicuously, just as they always have been. And local governments will still control the permitting process.

The video competition bill will increase choice and savings for Wisconsin consumers. Technology is changing. So should related state law.









### Wisconsin State Journal



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### OPINION



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Bucky Badger

SAT., AUG 4, 2007 - 10:35 PM

### Milfred: Blame state if Bucky goes black

By Scott Milfred

Bucky Badger is lending a paw to the push for greater competition in Wisconsin's cable television market.

If the Big Ten Network can't reach an agreement to run its programming on Charter Communications soon, a slew of fans in south-central Wisconsin won't be able to tune in a bunch of Badger games.

That's because many games will not appear on network TV for free. And some will not even appear on ESPN or ESPN2.

 Give Consumers Cable TV Choice

Instead, the university's deal with the Big Ten Network means at least a few football, basketball and hockey games as well as a lot of women's

competition and coaches shows -- will appear only on the Big Ten Network.

If you don't have DirecTV, which has a deal to carry the Big Ten Network, you're out of luck.

Big Ten bigwigs came to Madison on Friday to tout their fledgling sports network and to try to pressure Charter to pick up its programming as a basic expanded cable channel. So far, Charter's position is that it will pick up the network only as a sports-tier channel, meaning cable subscribers would have to pay an extra fee.



File photo

- Stop the surge in city spending
- Milfred: Parents prove charter schools work
- Don't revive hospital tax
- Reject mayor's muddled plan

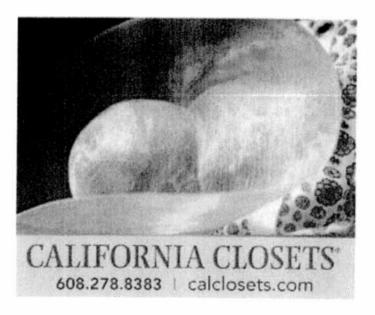
ADVERTISEMENT

The Big Ten Network has balked, setting up a standoff as the Badger football season nears.

I'm not about to tell Charter how it should negotiate a complicated business deal. But I am willing to state the obvious: If Charter had more competition in the Madison area, this wouldn't even be an issue.

If, for example, AT&T could easily offer a package of channels to customers across south-central Wisconsin, tuning in Badger games would be a snap. That's because AT&T's U-verse video system has a deal to offer the Big Ten Network as one of its regular channels.

But AT&T doesn't offer its video service to most of Wisconsin because state law discourages such competition. Under current law, AT&T would have to go through the tedious and difficult task of negotiating individual contracts with hundreds of local municipalities in which it wanted to provide video service.



A video competition bill moving through the Legislature would remove this out-of-date, bureaucratic obstacle. It would make it much easier for AT&T and other competitors to enter markets all over Wisconsin by following a uniform set of statewide rules.

This would significantly mitigate if not eliminate the Big Ten Network's standoff with Charter. That's because local Badger fans could easily switch to AT&T video service if they wanted to see more games. And the threat of that happening would probably convince Charter to quickly offer the Big Ten Network as an expanded basic channel to keep its customers.

That's the beauty of competition. If you don't like one provider, you can try out another — and then the business you left hustles to get you back with an even better deal.

While DirecTV competes to some degree with Charter, the hassle and permanence of mounting a satellite dish is a deterrent to many people.

But as Big Ten President Mark Silverman explained to the State Journal editorial board on Friday, he doesn't have time to wait for a change in state law that would make it easy for AT&T to enter the game. The Big Ten Network is launching Aug. 30.

I frankly don't care if the games are on cable TV or not. I haven't subscribed to cable television in more than a decade. Nor have I ever had satellite TV.

To me, none of these services are worth the cost or the waste of my precious time. I'd rather spend my weekends and weeknights playing with the kids, visiting friends, enjoying the outdoors or painting the town.

When I do want to watch a Badger basketball game, I can mosey down to a local tavern and see it for free (not counting the bar tab).

Regardless, the Big Ten Network's impasse with Charter exposes the need for greater competition to help consumers.

And when the first big Badger game can't be easily viewed across Wisconsin, fans should complain to state lawmakers. They're the ones who can open up the market.

Milfred is editorial page editor for the State Journal; smilfred@madison.com or 252-6110.

### PERSPECTIVES

### MCJ EDITORIAL

### Video Choice is a consumer initiative benefiting African Americans

The Community Journal believes that it is in the best interests of both the state and the African American community for the Wisconsin legislature to join our friends in Michigan, Indiana and eight other states by passing video competition legislation.

The Wisconsin Video Competition Act, formally known as Assembly Bill 207 and Senate Bill 107, will revise the video franchise rules in Wisconsin to make it possible for broadband companies to compete with cable, giving us choices for TV.

According to data from the Home Technology Monitor, African Americans pay 17 percent more for cable than white consumers, because we are among the best consumers of new cable services and options.

Our families and businesses are quick to adopt new technologies and would likely be first in line if someone besides cable came to our door offering a choice.

The Wisconsin Video Competition Act would allow that to happen.

Cable prices have risen substantially over the past 10 years. The Federal Communications Commission shows a 93 percent increase from 1995 to 2005. But a report from the American Consumer Institute showed that on average, consumers save \$22.30 per month on cable services in competitive markets. African-American consumers would benefit from the lower prices competition would bring.

The Video Competition Act would allow that to happen.

African American families need to be connected to our communities, both locally and statewide.

Cable TV provides that connection, making it an essential service, yet the high prices of cable keep many families from receiving these important broadcasts. The [NEWSPAPER] believes the better informed the African-American community is, the better off we'll be, and making video services more affordable will only help.

The Video Competition Act would allow that to happen, too.

Allowing video competition to take hold in Wisconsin is an important consumer initiative. Therefore, this paper supports AB 207 / SB 107 without reservation, as a way to bring meaningful benefits to the African-American community here in Milwaukee, and consumers across the state.

# COMMUNITY OPINIONS & EDITORIALS

EXCEPT WHERE INDICATED, THE OPINIONS EXPRESSED ON THIS PAGE ARE NOT NECESSARILY THOSE OF THE MILWAUKEE. COUR

PAGE 4, THE MILWAUKEE COURIER, SATURDAY, MAY 5, 2007

### African American community would benefit from video competition

Here in Milwaukee money tocal officials must actively about \$60 per month, those can Americans are proven to its tight. Whether its electric support AB 207 and SB 107 are savings of \$180 per year. be such good customers for bills, water bills or filling up today, as the sconer we can which can be used for some of cable service, our communiare skyrocketing everywhere consumers can start seeing you look. The same is true for the venetits of competition. doubled between 1995 and community needs those benecable bills, which just about 2005, according to the Federal Communications Commission.

video providers. Our state and American family's cable bill is. AB 207. In fact, because Afri-Thus, the Milwaukee Courier help bring cable prices down Newspaper supports Assembly Bill 207 and its companion, Senate Bill 107, which will in the simplest way, by forcing cable to compete with other

Did you know that African

Americans are more likely than Caucasian and Hispanic coning to a study by the Horowitz petition exists-by as much has to offer, and thus. African cable channels and buy digital cable services? Accordested in all video competition the car, it seems like prices, get this bill passed, the sooner, those other, burdensome bills Our families are very interconsider an average African the most from the passage of Group, that is exactly the case. met in areas where video com-And the African American fils badly. As Reverend James L. Demus III of the Ministerial vide noted, Evidence shows that rates immediately plum-Alliance Against the Digital Di-

ties and families are likely to be among the first served by AT&T or Verizon or any new company coming to Mitwausumers to purchase premium kee to bring video competition.

vetted, amended and studied by our state legislature. It has Now is the time to pass this legislation, and allow those AB 207 has been reviewed all consumers in Wisconsin

benefits to come to fruition.

The Business Journal of Milwaukee - February 5, 2007 http://www.bizjournals.com/milwaukee/stories/2007/02/05/daily8.html



BUSINESS PULSE SURVEY: Should the EPA lift major ozone restrictions on businesses in so

### AT&T to create 200 local jobs to related to new video service

The Business Journal of Milwaukee - 2:46 PM CST Monday

AT&T Wisconsin said it will create up to 200 jobs to support the rollout of the company's U-verse video service, which is designed to compete with cable and satellite television.

The new jobs will be located at one of AT&T's downtown Milwaukee offices, 804 N. Milwaukee St.

Employees filling most of the U-verse jobs will be represented by the Communications Workers of America union.

AT&T has launched U-verse services in 11 markets so far and said it expects to make the service available soon in the Milwaukee area.

"AT&T U-verse will change the way Milwaukee consumers experience entertainment, and we're anticipating strong demand once we begin deploying it here," said AT&T Wisconsin president Scott

VanderSanden.

AT&T plans to begin hiring this year, with up to 200 new employees by the end of 2007. The company expects the majority of the new employees to staff AT&T U-verse call centers, providing technical support to customers and field technicians.

The company's U-verse service is billed as delivering a portfolio of digital TV, high-speed Internet and voice services. The company's new network platform is based on Internet Protocol technology.

San Antonio-based AT&T Inc. (NYSE: T) serves a 22-state service area, including Wisconsin.

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### AT&T hiring for TV service

### Staffers sought for call centers

By DORIS HAJEWSKI dhajewski@journalsentinel.com

Posted: Feb. 5, 2007

AT&T plans to hire up to 200 people to staff call centers for its new U-verse video service, the company said Monday.

The new jobs will be located at the AT&T office at 804 N. Milwaukee St., and they are expected to be filled by the end of the year.

"We would describe them as good-paying jobs," said Scott VanderSanden, AT&T Wisconsin president. Most of the jobs will be represented by a union, the Communication Workers of America.

The new workers will provide customer service in the AT&T call center and technical support to field technicians working on installation.

U-verse is an Internet-based technology that links television and telephone service to the Internet. With the rollout, U-verse will put AT&T in more intense competition with cable-television providers. Cable-TV providers such as Time Warner already offer telephone service through cable wires.

AT&T first launched U-verse services in San Antonio, where the company is based. Since then, service has been initiated in 10 additional markets around the country.

VanderSanden said he couldn't disclose a rollout date for the Milwaukee area, but the company goal is to offer service to at least half of the customers in the 13-state area that AT&T serves by the end of 2008.

Cable-TV franchise agreements have been an issue as AT&T launches the service. Cable providers are required to negotiate franchise contracts with each municipality they serve and to pay franchise fees.

AT&T maintains that it is exempt from such agreements but has said it is willing to make payments similar to the franchise fees that cable providers pay.

The City of Milwaukee recently became the first municipality to file a lawsuit against AT&T to force the company to enter into a franchise agreement.

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From the Feb. 6, 2007 editions of the Milwaukee Journal Sentinel Have an opinion on this story? Write a letter to the editor or start an online forum.

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"THE NEWSPAPER YOU CAN TRUST"

SATURDAY AUGUST 4, 2007

### Ministers urge legislators to end the era of cable rate hikes

prominent Wisconsin ministers Church in Madison, Wisconsin. from across the state gathered Wisconsin legislators to bring video competition to Wisconsin consumers by promptly passing Senate Bill 107 / Assembly Bill 207, the Wisconsin Video Competition Act.

with cable rates gone wild. In have risen more than 55% in the last 10 years. It is time for our legislators to act on behalf of consumers as legislators Michigan, Indiana, Ohio and ice," said Reverend Thomas

Co-Directors of the Ministe- Flint, Founding Member of the by the Phoenix Center For Adrial Alliance Against the Dig- Wisconsin Chapter of MAADD

The ministers asked Wisrecently at the Wisconsin State consin elected leaders not to Capitol and burned cable bills be hoodwinked by naysayers to protest annual cable rate and alarmists who are only hikes imposed on consum- protecting the status guo of toto decline and service continues to plummet. Instead, they urged leaders to focus on the real rewards that consum-"Consumers are just fed up ers are seeing in other states."

"Last year the legislative Madison alone, cable rates leaders in Michigan came together and passed a bill that is now reaping benefits for the people of the state of Michihave already done in Illinois, suburbs - and that's just the James L. Demus III Founder beginning," said Reverend and Co-Director of MAADD Missouri and pass Senate Bill Walter B. Johnson, Jr., Co-Di-107/Assembly Bill 207 - leg- rector of MAADD. "There's no net and American Life Project. islation that would allow new reason Wisconsin consumers minority consumers actually providers to efficiently enter shouldn't reap the benefits spend more money on comthe local video market and of competition, too, instead munications services than provide alternatives to tradi- of being forced to keep pay- Caucasians, making minoritional cable television serv- ing and paying and paying." ties disproportionately bear

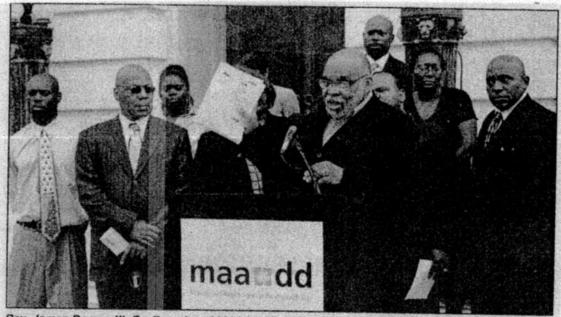
A recent study conducted

vanced Legal and Economic ital Divide (MAADD), and other and pastor of St. Paul AME. Policy concluded that Wisconsin consumers could save over four hundred thousand dollars a day if there was a real choice of cable providers in the state.

"Representatives MAADD have testified in faers. The ministers called upon day's cable environment - an vor of video reform legislation environment where prices con- across the country and have tinue to rise, quality continues worked with local ministers. government leaders and other key stakeholders to support common sense legislation that will bring state-of-the-art broadband networks, savings and choice to consumers - especially minority consumers. If passed, Senate Bill 107/Assembly Bill 207 will be the vehicle to also make that happen gan, including Detroit and its in Wisconsin," said Reverend

According to the Pew Inter-

Continued on page 4



Rev. James Demus III, Co-Founder of MAADD is addressing the crowd. Rev. Roosevelt Watkins II< Co-Founder of MAADD is on the far right, and Rev. Dr. Walter Johnson, Co-Director of MAADD, is standing in the far back. Rev. Terrance Sims of Praise Temple Church in Milwaukee is standing directly behind Rev. Demus, on his left (partially concealed). The ministers gathered burned cable bills and protested cable rate hikes at the States Capitol.

### Ministers urge legislators to end the era of cable rate hikes on Wisconsin consumers!

Continued from page 1

Watkins. "In states that have

the brunt for regular cable inglaws to Senate Bill 107/As- kets to experience the benefits allows competition to thrive. price hikes Minorities stand to sembly Bill 207, new video of competition -- a community communities to prosper and benefit from real competition, providers are entering minor- where over 80 percent of the consumers to win," said Rev-"Real life is proving that ity markets and consumers population is African American erend Joseph Reynolds, new entrants value minority across the state are singing and the median annual house. Founding Member of the Wiscommunities," said Reverend the praises of lower prices." hold income is below \$30,000. consin Chapter of MAADD In Michigan, for example,

passed similar video tranchis- Detroit was one of the first mar- and get it done in a way that

"It is time to get this bill done and pastor of Bradford Memorial AME Church in Milwaukee, Wisconsin

### Divine intervention for lower cable rates?

Friday, July 27, 2007, 1:46 AM

### By Andrew Beckett

The Ministerial Alliance Against the Digital Divide rallied at the Capitol Thursday, in support of legislation de-regulating the cable industry. Group co-founder, the Rev. Walter B. Johnson, says passage of the legislation could save Wisconsin families over \$400,000 a day. That's the finding of a study conducted by the Phoenix Center for Advanced Legal and Economic Policy.

Terrance Sims, Pastor of Praise Temple in Milwaukee, says the bill would increase competition in the cable industry and lower prices for many minority subscribers. Sims says minorities make up a large portion of cable subscribers, and



many have to endure high cable bills because competition that would create lower rates is being held up.

But why are ministers interested in lowering cable rates? Sims says many of their congregation members are subscribers, so there is an interest in helping them save money.

Opponents of the Video Competition Act says it could reduce funding for public access stations and eliminate consumer protections. The Rev. James L. Demus the Third says the bill addresses those concerns. He adds that those problems have surfaced in other states where similar legislation has passed.

The measure is currently awaiting action in a legislative committee.

AUDIO: Andrew Bockett reports (MP3 1:06)





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The Business Journal of Milwaukee - August 6, 2007 http://milwaukee.bizjournals.com/milwaukee/stories/2007/08/06/story7.html

### isiness Journal

BUSINESS PULSE SURVEY: How long will it be before Midwest Airlines is acc

### Union getting involved in cable campaign The Business Journal of Milwaukee - August 3, 2007 by Rich Kirchen

The union representing AT&T employees in metropolitan Milwaukee is waging a campaign to convince union members to drop Time Warner Cable and subscribe to AT&T's U-verse Internet

The Communications Workers of America union has a Web site at http://www.getuniontv.org/ and yard signs urging members of labor unions "pull the plug" on cable and switch to U-verse. The union notes that AT&T's employees in the field and in the office are represented by the Communications Workers and Time Warner Cable's staff is not unionized.

"We now can get our phone, high-speed Internet and premium TV -- complete with HD and digital recording -- from a company that recognizes the rights of workers to organize a union," the Web site states.

The union's short-term goal is to support AT&T's products and services that employ Communications Workers members, said Joy Roberts of the union's Milwaukee-area office. The ultimate goal is to organize employees at all cable companies, including Time Warner, she said.

"Our goal is not to sell U-verse," Roberts said. "We feel this will be a great benefit for Time Warner

A Time Warner spokeswoman declined to comment on the Communications Workers' campaign.

AT&T spokesman Chris Bauer said he had no comment because this is the union's campaign. AT&T is slowly rolling out U-verse in limited areas where the company has installed wiring and boxes to accommodate the service.

Milwaukee is the first market where the Communications Workers have run "pull the plug" and it's going "pretty good," said Cheryl Baker of the union's Itasca, Ill., office. The campaign will run through September in Milwaukee and may expand to several larger metropolitan areas, she said.

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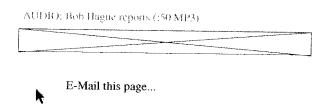
### Survey says: pass cable competition

Tuesday, September 25, 2007, 10:17 AM

### By Bob Hague

A new survey indicates support for the Video Competition Act. The Survey was commissioned by the Wiscor Video Choice coalition. The survey of 600 registered voters was conducted earlier this month by the Mellman and found more than half of those surveyed favor passing the bill now, rather than waiting for the state budget

David Storey with the Wisconsin Merchants Federation calls the bill a "win-win" for consumers, business and The bill essentially deregulates the industry in Wisconsin and allows video providers to negotiate a statewide agreement, instead of working with local governments. It has passed the state Assembly but faces an uncertain the Senate.



### THE BADGER HERALD

**NEWS** 

### Cable bill garners support

by Jessi Polsky

Wednesday, March 28, 2007

A committee of legislators heard testimony Tuesday concerning a bill that would transition control over video franchises in Wisconsin to state government.

The bill aims to increase competition within the cable television market throughout the state by encouraging multiple companies to provide cable access to Wisconsin citizens.

The bill, authored by state Rep. Phil Montgomery, R-Green Bay, addresses about 1.6 million cable customers in the state.

At the public hearing, Montgomery said increased competition in the video franchise market would allow consumers to obtain the best product at a lowest cost.

"The bill is about consumers and choices," Montgomery said. "This is a simple issue. ... Families all over the state of Wisconsin want options when it comes to their video service."

Scott VanderSanden, president of AT&T Wisconsin, wrote a statement to the committee, saying the bill would encourage competition that will bring more benefits to the consumer.

Tom Moore, executive director of the Wisconsin Cable Communications Association, said passing the bill would also create a level playing field for all providers.

"Anyone in Wisconsin can readily choose their provider," Moore said in an interview with The Badger Herald. "Do not choose a regulation that will lock today's technology in place because the market and technologies are constantly changing."

Moore said the video industry also constantly faces new competition through rapidly expanding technologies — mainly satellite and the Internet.

Janet Jenkins, administrator of the Division of Trade and Consumer Protection for Wisconsin, said the idea of competition created by the bill is a good one, in theory.

"The primary objective for this bill is to provide competition, which, in and of itself, is a good thing," Jenkins said. "However, not everyone has to or will have a competitor in every location in this state."

Smaller municipalities throughout the state may not be able to entice new cable providers, Jenkins added.

The bill also takes away consumer protections, which are safeguards currently granted to cable customers. If approved, cable companies will no longer be legally required to fix their product within 72 hours of receiving a complaint, nor will they have to give 30 days notice for fee increases.

"Many families will have the same provider they have now charging the same rates because there is not

competition, yet will not have any consumer protections," Jenkins said.

Barry Orton, professor of telecommunications at the University of Wisconsin, said the bill aims to eliminate local franchises and replace them with a single statewide franchise — in which local governments would not have any authority.

He said passing the bill would result in an increase in taxes to make up for monies formerly made through franchise fees.

Orton said franchise fees — dollars paid by private companies to local governments in exchange for use of public rights-of-way — provide great benefits to the entire community.

"[Franchise fees] pay for services that benefit all citizens, who jointly own local rights of way," Orton said.

He added passing the bill will result in a decrease of the total amount of income from franchise fees and force many former cable customers to use a satellite product, thereby removing citizens — and income — from the franchise fee base altogether.

"The bill would achieve a 15-25 percent reduction in the franchise fee gross base," Orton said. "[It] will cause local property taxes to rise."

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### The Journal Times

### City blocks doorway to television competition

By Mike Moore Racine Journal Times January 19, 2007

It's painful to sit back and watch city officials barricade the door to newcomers, especially when they could save us money.

This week, the Racine City Council voted unanimously to get a piece of a lawsuit against AT&T. The old phone company is getting into the TV biz and wants to bring its service to Racine to compete against Time Warner Cable and the satellite joints.

That's not the part that honks off the city. It's that AT&T won't sign the kind of franchise agreement cable companies do. In Racine, Time Warner pops about \$750,000 a year into the city budget.

A tenth pays for the cable access channel and the rest goes into the big pool to cover cops or parks or whatever. So, while nobody I asked could provide a sensible reason for charging those fees in the first place, our government is hooked on 'em now.

Leaders cringe at the thought of losing either a chunk or all of that dough, since Time Warner warned it'll sue to be freed from its own deal if AT&T doesn't need one.

I've heard all kinds of frantic talk about what this could do to the city's wallet. I haven't heard anybody much interested in what's going on with Joe Racine's wallet.

That franchise fee officials are so proud of shows up on your cable bill. I paid \$3.66 to cover it last month.

Considering I had to enlist the help of a Time Warner customer rep to temporarily nudge my combined bill below \$100 a month, it's an area that could still use a little competitive price skirmish. Digital cable and broadband Internet service are quickly shifting from luxuries to the household norm.

AT&T, which calls its Internet protocol television service U-Verse, advertises TV/Internet packages starting at \$59 a month before fees or taxes. I won't get into a head-to-head matchup, but nobody ever minds an extra option.

Instead, city officials are prepared to tie up this new competitor in court battles that City Attorney Robert Weber said could last for "a number of years." There's still a possibility the two sides could work out something temporary, until it's all resolved.

AT&T spokesman Jeff Bentoff said the company is willing to chip in its share, once it's up and running here, but doesn't want to be told where to build. See, our leaders are pushing so everyone will have access to this video service, even while they're slowing down its arrival.

"I don't really care for AT&T cherry-picking where they're gonna put those things," Alderman Jim Spangenberg said at Monday's Cable Commission meeting.

An AT&T representative who attended the meeting took issue with that. The company is planning to kick off the service in certain areas, but Tricia Frost suggested it's more a logistical thing than a permanent decision to only serve wealthier customers.

"It's not a matter of economic red-lining, in any way," she said.

Either way, Alderman Greg Helding pointed out we're nearing that point when phone and cable companies will be indistinguishable, and he said the city should start looking for other sources of cash than "the gravy train of cable franchise fees."

Leaders are working from a clear picture of the city's economic health, but a fuzzy picture of everybody else's. Time for a new pair of rabbit ears.

Mike Moore can be reached at (262) 631-1724 or mike.moore@lee.net



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### Report tunes in to state cable costs

### Think tank says prices would drop if government would allow competition

By PAUL GORES pgores@journalsentinel.com

Posted: March 22, 2007

Consumers in the Milwaukee area could save \$149 a year on their cable television bill if the state would allow more competition for video service, a new report by the Wisconsin Policy Research Institute contends.

The report, released today by the public policy think tank, says the current system in which cable operators pay franchise fees to individual communities for what amounts to "government protection" from competition is outdated and costly to consumers.

The author of the study, Christian Schneider, said that state law governing cable franchising, which dates back to 1985, hasn't kept up with the times and technology.

The report cited a U.S. General Accounting Office study that showed cable bills dropped an average of 23% in markets where phone companies competed against cable companies. If that 23% drop is applied to basic cable rates in Wisconsin, annual savings of \$121 to \$149 would occur in the state. The biggest savings would be in the Milwaukee market, where Time Warner Cable is the cable provider, and the smallest would be to Charter Communications customers in La Crosse, the study says.

A trade group representing cable operators in the state took issue with the report.

Tom Moore, executive director of the Wisconsin Cable Communications Association, said the methodology for computing the savings is flawed, in part because it doesn't take into account "bundling." Bundling is a marketing deal in which the cost of cable, Internet and telephone service is discounted if the consumer buys all three services from the same provider.

In addition, he said, the argument that cable television doesn't have competition is inaccurate because it competes with satellite TV, which has about 30% of the market in Wisconsin.

"Unfortunately, this seems to be a political document that's put out here to make a political point," Moore said of the report.

The issue is political now because state Rep. Phil Montgomery (R-Ashwaubenon) and state Sen. Jeff Plale (D-South Milwaukee) are about to introduce legislation that would eliminate municipal cable franchises and shift the approval process to the state.

Under the Video Competition Act, cable and video providers would have to pay 5% of their gross receipts to communities in which they operate.

However, there are concerns that public access and government programming would be cut and that switching franchising to the state wouldn't really lead to lower cable TV rates, said Bob Chernow, chairman of the Regional Telecommunications Commission, which represents 35 communities on the issue.

Moore said his group is "neutral" on the Montgomery-Plale legislation as it stands now.

The Wisconsin Policy Research Institute's report also is timely because of an announcement by AT&T last month that it is launching its Internet-based TV service - called U-Verse - to compete with Time Warner and satellite television in the five-county metro Milwaukee area.

Last Friday, the City of Milwaukee said it reached a franchise-like agreement with AT&T that would allow the new Internet Protocol video service. The agreement calls for AT&T to pay the city a license fee that amounts to 5% of its gross revenue related to the service, which is similar to Time Warner's franchise agreement with the city.

Nonetheless, a federal lawsuit by Milwaukee against AT&T remains open. The lawsuit seeks to have the AT&T service declared a cable system, which would require AT&T to have a franchise agreement. AT&T has argued that service isn't a cable system, so it shouldn't have to pay a franchise agreement.

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From the March 22, 2007 editions of the Milwaukee Journal Sentinel Have an opinion on this story? Write a letter to the editor or start an online forum.

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E 4, THE MILWAUKEE COURIER, SATURDAY, JUNE 9, 2007

## Cable industry needs competition

dropped like the prices of tel-You can almost set your a person was very fortunate watch by it Every year the local cable company increases 95% in the last 10 years? The cost of most things go ble bill has gone up, but did you realize that those rates have actually increased by were first introduced, television sets were a luxury and your rates. You know your cadown over time. When they

if they could afford to have a evision sets and cell phones single TV in their home. Now, have? It's really quite simple. Competition. When I shop for a TV I can get a Toshiba, a Sony, array of choices. When I sign up for paid TV, I have one choice and some even have a televi- or an RCA to only name a few. When I sign up for cell phone service i also have an endless the local cable company. The Wisconsin Video Compe-By easing the entry of new protition Act can change all that lies own at least two or three sion set in every room of their house. Cell phones also used So, why is cable so different? It i would guess most famito be a luxury used only by the weii-to-do. Now even young it's been around for at least 30 kids are toting them around

bill and I am hopeful that the help them to finally achieve it approved their version of the Wisconsin consumers deserve the Video Competition Act will ment dollars. That competition sin consumers saving money. true video choice, and enacting will ultimately lead to Wiscon-The State Assembly recently Senate will soon do the same.

### Supplier Development Counsil President of Wisconsin

video providers will be forced

# et's end the era of cable

# hikes for Wisconsin consumers

ers that are sick of getting For Wisconsin consumcurrently considering legislation that would remove barsocked with annual rate hikes on their cable TV bills, there rates could be just around the - ultimately freeing Wisconsin is good news - lower cable corner. The Badger state is riers for new video providers consumers from the shackles of the cable monopolies and to enter the cable TV market their ever increasing prices.

Unfortunately, certain special nterests are working hard in ernment officials, consumers, parties that if video franchising Madison trying to convince govnunicipalities and other third communities will be "red-lined"

- leaving minority consumers with higher cable prices and no competition. This could not be further from the truth. Assembly Bill 207 and its companion bill, Senate Bill 107, will do nothing but proble bills - a trend that can only be stopped by promotvide tremendous benefits to year after year with rising caages and choices for all con-And with competition comes a wide array of new packconsumers who are saddled ing competition in the industry.

sumers, especially minorities. What this legislation will not do is "red-line" minority communities. It is appalling that the special interests are trivializing the real and serious problem of "red-lining" by insinuating

that minority communities are for Caucasians. With these less desirable to serve. Quite statistics, companies would the opposite is true. According to independent data from tions and media services than Life Project, African Americans Caucasians, making them as strong demographic marketthe Pew Internet and American more money on communicaand Hispanics actually spend ing target for new competitors.

billion a year for cable TV. This In fact, African American month, compared to the nationfamilies spend more than \$5 equates to more than \$60 per al average of \$52 per month African Americans have the or all households. Moreover, nighest subscription rates for cent compared to 29 percent premium channels:

be foolish to not offer services in minority communities.

islation may downplay these a prediction, the hard facts ity communities - and entering ing services in affluent white communities. In Illinois, the Statewide video franchising Continued on page 8 details as nothing more than ers are already serving minorvery first community to obtain While opponents to this legshow that new video providcompetition was a low to midnity. Ironically, the opposition ple where similar legislation dle income minority commuhas not provided one examthose markets prior to providhas resulted in "red-lining".

# **End the era of cable rate**

Continued from page 4 record of showing results in bringing lower rates to consumers. Evidence shows that rates immediately plummet in areas where video competition exits - by as much as 25 percent! In states with statewide video franchising laws, consumers are reporting household savings of \$30 per month. Even more impressive is that all consumers in those areas receive savings since the mere threat of competition forces the cable monopolies to lower rates in areas where competitors have not yet deployed a network.

Our public officials need to recognize that Wisconsin consumers are fed-up with "cable rates gone wild". It is clear that the state needs to change the status quo and adopt a new approach that streamlines the process and promotes real competition. Eliminating the existing video franchise bureaucracies that have discouraged competition and produced massive rate increases for Wisconsin consumers would be an excellent first step. Wisconsin needs to welcome competition in the video market so that consumers can realize lower cable bills and have tangible savings that they can take to the bank.

Continued from page 4 Reverend James L. Delegislation has a proven track mus III Founder and Co-Direcord of showing results in rector Ministerial Alliance bringing lower rates to consum- Against the Digital Divide ers. Evidence shows that rates

Reverend Thomas Flint Pastor Saint Paul AME Church Madison, WI 608-241-4342

Reverend George Reynolds Pastor Ellison Chapel AME Church Milwaukee, WI 414-801-2756

# IN THE BLACK

# Helping state businesses and consumers benefit from new competition to cable

Today's advanced telecommunications are changing the way businesses communicate and establish a strong customer base.

Phone companies across the country have begun deploying new technology that competes directly with cable TV and will give African American businesses and consumers a new, exciting array of choices and products while lowering prices.

However, current outdated rules and regulations related to the cable TV market are slowing down the roll-out of this new technology because they place unnecessary burdens and restrictions on new competitors in the cable market.

The Wisconsin Supplier Development Council (WSDC), which supports and develops alliances with minority-owned businesses, believes it is time to update these rules and bring this technology to consumers and businesses faster.

The WSDC understands the connection between technology and productivity in the business world.

New technology facilitates improved efficiency and productivity, directly impacting many African American businesses' bottom line. Wisconsin's minority-owned businesses need to have access to the best technology in order to effec-

tively compete in today's business environment.

Regulations governing the cable TV market have created a system in many markets where one cable company holds a near monopoly, permitting them to continuously raise rates and offering little incentive for improving service quality and technology.

The Federal Communications Commission (FCC) reported in its most recent survey on cable competition that nationwide cable rates rose 86 percent from 1995 to 2004.

Additionally, The University of Michigan's American Customer Satisfaction Index survey shows, that in 2006 consumers were less satisfied with cable companies than the IRS for the second year in a row

These patterns are especially alarming for African Americans because research from Kersey Strategies and Scarborough Research shows that African Americans spend more than any other demographic on cable-TV service, about \$5 billion annually.

Their research also shows that if

# Milwaukee Community Journal WKND November 25-26, 2006 page 9

competition were introduced into the market, African Americans could save \$1.3 billion a year, or more than a quarter of what is currently spent on cable bills.

Technology advancements in recent years have transformed the communications marketplace dramatically and it's time for the cable market to catch up.

For example, wireless plans ten years ago were expensive and service was often poor.

But investments in technology and competition between wireless companies have dramatically improved service and brought prices so low that a record number of consumers are using wireless phones as their only means of communication.

In order to speed the roll-out of new technology, regulators took a hands-off approach that allowed the market to drive competition. These laws have allowed new technology to reach more households, lower prices and bring better products to consumers.

Laws in the cable TV market should be reformed to follow the example of the wireless industry and encourage greater competition, instead of keeping antiquated rules in place.

Ten states across the nation

have opened the cable-TV market American businesses and conto increased competition.

Consumers in Texas. Florida and Virginia, as well as other states, have already seen the positive results of cable competition - prices have dropped and new services are available to consumers.

State lawmakers must address cable TV regulations soon in order to enable phone companies to begin making important investments to compete in the cable entertainment market.

Competition for all Wisconsin consumers should not be held up because of outdated and burdensome laws and regulations.

The Wisconsin Supplier Development Council believes it is time to reform Wisconsin's cable market to ensure future competition and lower rates for the state's African

sumers.

### About the Wisconsin Supplier **Development Council**

The mission of the Wisconsin Council is to support and develop minority-owned businesses by facilitating important connections between corporations and minority suppliers.

The Council is a nonprofit organization composed of companies from throughout the state. Members work together to increase the amount and quality of business transacted with minority-owned firms.

Membership in the Council is a voluntary effort that demonstrates the initiative of the private sector. concerning minority business opportunities.



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# Joe Mettner: Video bill is proconsumer and supports public access

Joe Mettner November 5, 2007

The Wisconsin Video Competition Act has deservedly attracted strong support from the public and legislators because the bill is pro-consumer. The recent column on the bill by John Nichols contained many serious inaccuracies that need correction. While relatively rare to read this extent of factual license in Nichols' columns, the record should be set straight concerning the purpose, content and effects of the video legislation.

First, the video franchise legislation aims to provide consumers a choice in video service providers, and in selecting bundled packages of broadband, video and telecommunications services. The consuming public favors video service competition by large margins.

Despite the unfounded claims of some, neither the purpose nor the effect of the video franchise legislation is to consolidate control over communications in Wisconsin, undermine consumer protections, threaten public access channels, or do away with basic standards for service -- quite the opposite, in fact. Similar legislation has passed in 18 other states by overwhelming bipartisan majorities. Several legislative chambers and a few states have passed versions of video franchise legislation unanimously.

Second, any fears that the bill might compromise consumer protection, standards of service, and the future of public access channels are misplaced in light of the achievements that legislative negotiations have produced in these areas. If the bill should pass in its current form, all video service providers, including cable television providers, telecommunications companies, and even satellite video providers would be subject to the stringent requirements of the current and successful Cable Subscribers' Bill of Rights. These include tough service standards for minimum times required for service installation, repair and restoration; time benchmarks for the responsiveness of customer call centers; and mandatory customer credits for time out of service. These are solid legal standards of service quality and guarantee that competition does not come at the expense of consumer protection.

In addition, the enhanced competition that the bill encourages will force providers to give the best possible service or face losing customers to competitors.

Similarly, the negotiated legislation requires video service providers to continue to collect and give to municipalities 5 percent of gross revenues from customers. Providers would also be required to continue to carry public access channels and mirror financial support provided to existing channels for up to three years or until current franchises expire. Video service providers would also be required to extend free transport of public access programming signals, at their substantial expense, which was an amendment agreed upon to respond to concerned municipalities.

Finally, the statewide video franchise legislation has been the subject of thorough hearings before standing committees in the Senate and Assembly, as well as the Legislature's Joint Finance Committee and the full Assembly, through which dozens of amendments have been considered, and in some cases adopted. It is time that the bill receive the approval of the Legislature, so that customers might begin to receive the substantial benefits of the competition it will bring.

Joe Mettner served on the Wisconsin Public Service Commission from 1996 to 2003. He is an attorney and principal of Found Lake Consulting, whose clients include AT&T Wisconsin.

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# **Business Times**

## Competition does reduce cable prices

By Steve Posiask Small Business Times Milwaukee Biz Blog July 3, 2007

Wisconsin lawmakers are considering legislation to encourage cable TV competition, lower prices and increase consumer choice, investment and jobs. However, local governments want to protect the monopoly at your expense.

Recently, the National Association of Telecommunications Officers and Advisors (NATOA), a municipal government-sponsored organization, incorrectly concluded that competition raised prices in Texas. What their analysis did, however, was to track "list prices" for legacy services - old services that large numbers of consumers have abandoned.

Their analysis did not track lower-priced services that consumers have flocked to, nor did the analysis compare differences in competitor and incumbent prices.

The NATOA results are flawed and contrary to 20 years of hard evidence showing lower rates from competition, including studies from the General Accounting Office (GAO), think tanks and academia. The Federal Communications Commission (FCC) found that competition lowered cable rates by 25 percent per channel.

Based on our survey, Texas consumers reported saving 30 percent off their cable bills, thanks to competition.

Local governments fear falling cable prices because they tax 5 percent of all revenue. As a result, local governments want to stop you from saving \$15 dollars off your bill, so they can keep 75 cents of it. This too is misguided, since lower prices mean more cable TV consumers and higher cable revenues, which benefits both consumers and municipalities.

Stephen Pociask is president American Consumer Institute. For additional information, visit <a href="https://www.theamericanconsumer.org">www.theamericanconsumer.org</a>.

# Wisconsin Technology Network

# Road to cable TV choice and faster Internet runs through Madison

Wisconsin Technology Network November 2, 2007 Joseph Savage

Editor's note: The Legislature's Joint Finance Committee last week approved a cable TV deregulation bill that would replace franchises that have been issued by local municipalities with state-issued franchises. The measure, which now goes to the full Senate, has already been approved by the State Assembly.



Everyone knows that robust competition is what keeps prices low and quality high. Small wonder, then, that consumers are so unhappy with their current choices for video services - the rising prices, the lack of innovation. The choices are just not there.

There's a reason for this. While current federal law is supposed to promote competition, the video franchising process in most states - including Wisconsin - enables cable television companies to carve out what are effectively exclusive deals with local governments which prevent competing providers from entering their markets.

The "opportunity" to compete exists, in theory. But, in reality, any new provider that shows up is required by the local government to sign the same or similar deal as the incumbent cable operator has - including a lot of services and fees that only someone getting a monopoly would agree to.

When you add that to the fact that you have to do this in each municipality and to the high cost of building a network and expensive prospect of having to take away significant market share away from the incumbent in order to succeed, it's no wonder that few if any companies are willing to take that risk.

The result is that there's little or no competition in the market to provide video services.

So what about satellite? True, it does offer some competition to cable. But satellite technology cannot support robust internet connections and telephone services - the so-called "triple play" - which any provider must be able to provide to really compete with

the cable operators. It's only when a second wireline competitor enters that prices truly fall.

## Legislating competition

What to do? The Wisconsin Assembly has already passed legislation that will accelerate video choice by removing barriers that keep new providers and new services from entering the market. But, the legislation has been hung-up in the State Senate because of the budget battle.

Fortunately, with the budget concluded, there's still time for the Senate act. If it does so and the bill is signed by the Governor, consumers throughout Wisconsin will quickly see a broader range of video, Internet and telephone services at lower prices - more offerings, more choices, and newer technologies.

And there's a bonus. Many of the companies that want to get into this business are offering ultra high-speed fiber optic connections directly to homes. When the path is cleared for these companies to start providing their services, consumers will have the opportunity to obtain internet connections at transmission speeds 30 to 40 times what they can get now from DSL and cable modem. They're going to need those higher speeds as more and more video programs, movies, and other high bandwidth applications come to market.

Just as You Tube couldn't and didn't exist in the days of slow dial-up internet service, a whole new world of video, data, teleworking, and telemedicine applications - to name just a few - is awaiting the introduction of state-of-the-art communications services made possible by fiber connections.

### Keeping up with the Midwest

The technology to make this happen is available today. Many of Wisconsin's neighboring states - like Indiana, Michigan, and Ohio - have taken steps to streamline their video franchising laws, and they are already seeing tremendous growth in the construction of next-generation broadband networks that provide consumers with competitive choices.

It's time for Wisconsin to join them and clear the way for our high-bandwidth future.

# Wisconsin Technology Network

# In a fast-paced economy, lawmakers must pick up speed

By Tom Still • 06/05/07 • © WTN Media. For personal use only. No mass duplication or distribution.

**Madison, Wis.** - For reasons that may be as innocent as a choked calendar, legislative progress has stalled on a bill that would trade Wisconsin's city-by-city regulation of the cable television industry for statewide video franchises. The bill, which would create jobs, help many consumers and speed new technologies to the market, passed the Assembly by a wide margin earlier this spring. Since then, however, it has been gathering dust in the **Senate**.

Meanwhile, Illinois, Iowa, Georgia, Florida and Michigan are moving ahead with similar legislation - and the leading proponent of the bill, AT&T, is getting a bit nervous about where to put the jobs needed to pull off its high-stakes entry into the video markets. Wait for Wisconsin to make up its mind? Or put the jobs in a state where the political debate is settled?

Don't be surprised if Wisconsin loses its shot at hundreds of high-tech, high-paid jobs if the bill languishes much longer. Other states have introduced AT&T's Internet-based television system, called U-verse, and faster-than-expected market growth may mean the company won't have the time to wait for lawmakers in Wisconsin. A new chairman and CEO took the helm at AT&T last week; change at that level usually leads to new marching orders below.

The perpetually cautious might say, "Well, Wisconsin shouldn't be rushed into passing a new law just because a big company like AT&T wants to move quicker." Fair enough. In fact, some questions about consumer protection are unresolved. But when does cautious political review end and missed opportunity begin?

### Debating societies are left behind

The statewide video franchise bill is only one example of the clash between a political system that is purposely built to be deliberate - and markets that don't stand still for those who prefer more debate.

In Gov. Jim Doyle's state budget bill, for example, two ideas designed to leverage the state's existing economic resources may also miss the window of opportunity.

The first and largest is Doyle's proposal to create a \$30-million grant and loan fund to help seed commercial projects that would speed alternative energy and conservation ideas to market.

Wisconsin is positioned to be a leader in **cellulosic ethanol** because its forest cover (16 million acres out of 34.7 million total), its existing paper and pulp industries, and its experience in managing this resource. Even our conservation heritage comes into play: By removing the excess cellulosic material in our forests and converting it to energy, we would actually improve the health of our forests.

Wisconsin also has an edge in producing hydrogen from biomass, especially sugars. This is another area where state R&D investment today will produce dividends, and jobs, down the road.

The Legislature's Joint Finance Committee deadlocked on whether to move ahead with the \$30-million fund, which is a "no" recommendation under the committee's rules. Other states are leaping ahead to position themselves in this tech-driven market - so why not Wisconsin, which has a wealth of resources and the research base to match?

A second and more modest idea that failed to pass the finance committee involves creating a "venture center" to help enhance the state's ability to attract venture capital from outside Wisconsin. For \$2 million over two years, much of it private matching dollars, Wisconsin could help increase its access to venture capital the same way it has enhanced the supply of early-stage angel capital.

Either or both ideas could find their way back into the budget by the time it reaches Doyle's desk later this summer. If not, however, the state would have missed well-crafted opportunities to help industries poised for growth.

### The quick and the dead

In today's global marketplace, the rules of evolution are simple. It's not the strong or the big who survive, but the quick. Companies, communities, and even states must seize the chance to build upon existing expertise or resources, or risk never again being able to grab for the brass ring.



# State needs to end cable-tv monopoly

# Consumers pay high price without any competition

usinesses and their employees thrive when markets are open, but when governments protect a monopoly, consumers and employers alike suf-

One industry - cable TV - has captured unwarranted amounts of discretionary earnings from consumers for years. The culprit government-sanctioned monopolies and Byzantine regulatory processes that protect monopolies.

Antiquated requirements that new entrants negotiate individual franchises with every city, village and town they hope to serve have discouraged competitors large and small from entering the market.

Until now. As new technologies to compete with cable have reached prime time, many states across the country are similarly updating their regulatory framework for home video

### States passing video reform

Rather than keeping useless government barriers to competition in place, nearly 20 states have passed video franchise reform bills. These bills encourage competition to cable TV by simplifying the video franchising process.

Instead of having to negotiate separate franchises with hundreds of different municipalities in each state, new providers are allowed to receive one franchise in a state. This avoids protracted negotiations and the impossible task of

trying to negotiate with hundreds of communities in a state simultaneously.

As a result, consumers get the benefits of competition they deserve much quicker.

Businesses, except for monopolies, and consumers value real competition. Consumers like it when businesses compete for their dollar, with

consumers voting their preferences with their wallets. And companies in the Dane County region and elsewhere in the state, including members of the Independent Business Association of Wisconsin, like it when consumers have more money to spend.

### Rates up 93 percent

But when monopoly pricing is in place, consumers pay artificially high prices. Monopoly cable companies have raised rates 93 percent over 10 years, the FCC has found.

Consumers will save significant amounts of money if real competition is encouraged in Wisconsin. With extra dollars in their pockets to spend, Wisconsin consumers will be able to increase their savings or buy other goods and services.

This not only benefits consumers. More discretionary dollars in the hands of families in the Dane County area and the rest of Wisconsin also benefits businesses and their employees all across our state.

Video regulatory reform has passed and is bearing fruit across the country, in large states such as California and Texas; in smaller states such as Connecticut and Kansas; and in Midwestern states surrounding Wisconsin such as Indiana, Ohio, Michigan and Illinois.



is immediate past president and the current chairman of the Legislative Committee for the Independent Business Association of Wisconsin.

It is an organization of small to mid-size independent businesses throughout Wisconsin.

Mr. Collison owns and operates Kendall-Collison, Inc.

### Reform on slow track

So far, video reform in

us seize the initiative

for their consumers

and businesses.

Wisconsin is on the slow

The Wisconsin Assembly passed a similar bill months ago, but the bill hasn't even been scheduled yet in the state

Our state motto, "Forward Wisconsin," should be our motto for video.

track, while states around  ${\rm So\ tar,\ video\ retorm\ in}$   ${\rm Wisconsin\ is\ on\ the\ slow}$ track, while states around us seize the initiative for their consumers and businesses.

We're hopeful that Wisconsin elected officials will soon act. It's time we

gave our consumers real savings by joining other states in knocking down outdated regulations.

Let's move forward, Wisconsin, and finally pass the Wisconsin Video Competition



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# Video Bill Good For Economy

The Capital Times :: EDITORIAL :: A7

Monday, August 20, 2007 David Storey

Growing the state's economy requires seizing opportunities. During the 5 1/2 years I served as deputy secretary of the Wisconsin Department of Commerce, our best opportunities came from companies already interested in investing capital and creating jobs in Wisconsin.

A bill before the Legislature would capitalize on such interest and unleash new investment in the state if we act promptly. The Video Competition Act would provide Wisconsin residents with an increased level of choice in video entertainment while also encouraging job growth and investment in Wisconsin's broadband infrastructure.

When companies decide to invest capital and create jobs in Wisconsin, they almost always come to the Wisconsin Department of Commerce asking for a financial incentive package to help defray their costs. Incentive packages might include tax credits, low-interest or forgivable loans and/ or labor training grants.

In contrast, the Video Competition Act offers no incentive packages. It simply creates a statewide, level playing field to encourage increased levels of competition. Such competition would require private sector investments in new jobs and infrastructure, which would result in economic development benefits to Wisconsin residents.

The real fight is not among video providers. The real fight is with time and other states that welcome these investments. Nearly 20 states have already passed bills like the one awaiting scheduling in Madison. These states are beginning to reap economic development benefits benefits that Wisconsin risks losing out on by failing to act soon.

The time has come to welcome this new economic development opportunity to Wisconsin by promptly scheduling and passing the Video Competition Act.

David Storey is senior vice president of the Wisconsin Merchants Federation. He served as deputy secretary of the state Department of Commerce from 2002 to 2007.

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# Thomas Cohen: More competition needed to reduce prices for cable TV

A letter to the editor November 3, 2007

Dear Editor: Your article on the Wisconsin Legislature's efforts to streamline the video franchising process ("Smoke and Mirrors" on Wednesday) missed the essence of the issue: how to get consumers lower cable prices and access to more innovative broadband services.

The simple fact is that today, 15 years after the U.S. Congress prohibited exclusive cable franchises, virtually no competitive cable systems have been franchised and built in Wisconsin. The capital requirements are enormous, and a new entrant does not break even until it gets about 25 percent of the market -- a daunting task in a market where the incumbent cable provider has more than 60 percent of households and satellite providers have more than 20 percent.

The Democratic mayor of Fort Wayne, Ind., put it best when he said that he would "beg, borrow or steal" to get another provider to enter his market. He understood what it takes.

The Plale/Montgomery legislation is based on that same reality. All you need to examine is what has already happened in states that have enacted similar bills: Investment accelerates and jobs increase.

The Fiber-to-the-Home Council proved this to be true in Texas, where video-enabled fiber-to-the-home connections increased to eight times the national deployment rate for this technology, and the same holds in other states where there has been impressive growth in new broadband fiber infrastructure.

So let's keep the focus on what will give consumers greater choice, lower rates, and faster broadband speeds. That's more than enough to justify immediate passage of the franchising legislation.

Thomas Cohen, counsel to the Fiber-to-the-Home Council

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# Time to end subsidies for cable public access channels

By Diane Katz Small Business Times Milwaukee Biz Blog July 22, 2007

Telecommunications firms are pumping hundreds of millions of dollars into states throughout the Great Lakes region to upgrade broadband networks. The investment boom is a direct result of franchise reforms that promote competition in cable TV services.

Unfortunately, Wisconsin has yet to capitalize on reform in large part because special interests are lobbying hard to preserve the status quo. But the only interests that lawmakers ought to protect are those of consumers, who would benefit greatly from competition in video services.

Franchise reforms were approved by a wide margin in the Wisconsin Assembly on May 9, but the legislation has yet to reach the Senate floor. As currently written, the bill would allow video service providers to obtain a statewide franchise to operate from the Wisconsin Department of Financial Institutions rather than having to negotiate a franchise with each of hundreds of municipalities.

The benefits of a streamlined process are undeniable. Easing market entry promotes competition which, in turn, spurs investment, reins in rates and improves service quality. The need for competition is plain: Since 1999, cable rates have increased 236 percent in Green Bay; 76 percent in Kenosha; 62 percent in Milwaukee; and 61 percent in Madison.

The pending legislation would, if enacted, prohibit municipalities from forcing video service providers to subsidize the production of local programs - the costs of which ultimately are paid by cable subscribers. However, the subsidies would not end abruptly, but instead would be phased out over several years. Video operators would continue to pay franchise fees of up to 5 percent of gross revenues to each municipality as well as to provide channel capacity for public, educational and governmental programming (PEG).

Alarmed by the prospect of reform, the folks who produce PEG programs are employing false claims and twisted facts in their attempt to block the legislation. But lawmakers and citizens must recognize that these PEG subsidies were established when few, if any, alternatives for local programming were available. That's no longer the case.

In the 1970s, when PEG became a standard feature of municipal franchising, video production systems could cost \$100,000 or more. Nor was there an Internet on which local programming could be cheaply posted. Today, a high-definition portable camcorder can be had for less than \$3,500, and there exist thousands, if not tens of thousands, of Web sites where video can be uploaded and viewed at no cost, as well as an increasing number of distribution alternatives such as iPods and cell phones.

PEG advocates say the subsidies are needed to give local citizens access to the airwaves. In fact, many of the programs aired on PEG channels do not originate locally - when programs air at all. For example, Stevens Point Community Access TV, like many others, simply posts a bulletin board for several hours each day. Wausau Public Access Cable airs several hours of church services daily. Meanwhile, the Alliance for Community Media, a PEG advocacy group, reports that River Falls Community Communications and New London Cable 6 each produce only 10 hours of local original programming each year.

Subsidies for some of the local access programs that do air is tough to justify, such as the Scientology Program on WPAC Channel 10; Unarius ("the physics of reincamation") on Chippewa Valley Community Television; or, Past Life Therapy on Madison's WYOU Channel 4.

That may explain, in part, why the PEG audience is so small. According to research by cable TV executive Paul Olivier, more than 50 percent of cable viewers never watch PEG channels. Those who do tend to watch only sporadically, and most hardly need subsidized programming. A 2005 survey by the Madison City Channel found that 82 percent of respondents obtained information about local government from sources other than PEG channels, such as newspapers, radio and the Internet. Moreover, more than 47 percent of viewers earned annual household incomes exceeding \$70,000.

The notion that public access groups are starving artists is largely a fiction. The annual budget for Madison City Channel exceeds \$529,000; for Western Reserve Cable 9, it's \$400,000; and the budget of Milwaukee City Channel is more than \$385,000.

If local programming is truly valued by the public, municipal officials can allocate to PEG operations some or all of the considerable revenue generated from franchise fees. PEG advocates could also go directly to voters and ask for additional tax revenue.

But it's long past the time for the PEG hold-up - literal and figurative - to end, and for lawmakers to put consumers' interests first with franchise reform.

Diane Katz is director of science, environment and technology policy with the Mackinac Center for Public Policy, and a member of the American Legislative Exchange Council's Telecommunications and Technology Task Force. Prior to joining the Mackinac Center, Katz served for nine years on The Detroit News editorial board, specializing in science and the environment, telecommunications and technology, and the auto industry.



Print Page

# **Guest commentary**

### Statewide gain through competition

By Sen. Jeff Plale and Rep. Phil Montgomery

There has been a great deal of debate surrounding the Video Competition Act, SB 107/AB 207. One would expect, in fact hope, for debate on an issue of this magnitude, because vigorous debate leads to sound public policy.

Unfortunately, when one side chooses to frame the debate with half-truths and inflammatory rhetoric rather than fact, debate can derail rather than improve legislation. The opponents of this bill found they could not prevail through the normal legislative process, so they chose to hijack the debate with misleading claims about the bill. As the authors of this legislation, we are taking the debate back.

Thanks to two lengthy public hearings on the issue and countless meetings with advocates on both sides, improvements have been made.

ALL CONSUMER protections currently enjoyed by Wisconsin cable customers are maintained. In fact, Wisconsin satellite television consumers, not protected currently under state law, will see a dramatic increase in consumer protection.

Municipalities will maintain the revenue they currently derive from local cable franchise fees. In fact, we expanded the definition of gross revenue so that municipalities who negotiated more lucrative agreements will not lose out. As a result, some local governments will see an increase in revenue.

No new video service provider will be able to haphazardly install equipment in the middle of front yards. In fact, the bill was amended to allow municipalities to pass ordinances related to placement of any equipment necessary to provide video service. Permits can be required, and city approval will still be a necessary step before a company can begin work.

AS FOR THE continued cry that this bill will end public access television as we know it, it is nonsense. In fact, the bill requires that channel space be available for this type of programming. What is not required is that video consumers continue to subsidize these channels with their family budgets.

It may be the big company that writes the check to "Local Channel 2," but we all know their consumers are the ones who pay the cost on their bill each month. It is time the communities and individuals that value public access television find a new funding source. Most communities will continue to use the franchise fees. Other communities will have to figure out a new funding mechanism.

THERE IS ANOTHER story that must be told, one that has been lost in the melodrama that has erupted in recent weeks. This legislation is also about jobs and development.

Each day Wisconsin waits to pass this legislation is another day that Wisconsin loses ground in job growth. The ability of cable companies to offer phone and internet service has both revolutionized, and at the same debilitated, an industry. For example, a few days ago, telecommunications giant AT&T was forced to lay-off approximately one hundred of the skilled technicians who service some telephone customers. With the drop in traditional landline customers, there is simply less work for these employees to do.

Passage of this legislation would allow one of Wisconsin's largest employing industries, telecommunications,

an opportunity to quickly adapt to a changing market. This means the creation of new products, the installation of new technology and the need for new skilled workers. In anticipation of the passage of this legislation, nearly 300 jobs were created in Milwaukee and the Fox Valley. Indications are that more will be necessary as AT&T works to take its video service statewide.

THAT KIND of growth would likely not be possible for telecommunications companies without the ability to offer a new product. Wisconsin has a chance to foster that growth. This legislation is a unique opportunity to take what could be a loss and make it a statewide gain. The state's two largest newspapers agree, we ought not delay progress any more.

We urge the prompt passage of this legislation and look forward to standing next to Governor Doyle as he signs it into law.

Sen. Jeff Plale, a Democrat, represents Wisconsin's 7th District in the Milwaukee area. Rep. Phil Montgomery, a Republican, represents Wisconsin's 4th Assembly District in Ashwaubenon.

# The Sheboygan Press

Letters to the editor: Real competition pushed for TV service

The Sheboygan Press

April 3, 2007

**DEAR EDITOR:** 

If Comcast can offer telephone service, why can't AT&T offer cable TV? I think we have all seen the ads by cable TV outlets offering local phone service.

The city government seems to think it is OK for Comcast to hold us hostage to possible loss of local sports programming. I would rather see real competition for my cable TV dollars.

It seems that any time there is some legislation offered that the city doesn't like it must be lobbyists or large special interests involved. Comcast is lobbying and qualifies as special interest. They have seemed to have influenced you. AT&T may be involved but Comcast is equally involved. It seems the city government has taken a position that hurts many of its citizens.

Let's push for real competition.

Mike Van Sleet

Manitowoc



# Letters: Cable competition bill will offer TV choices

Appleton Post-Crescent April 23, 2007

I enjoy having options. For example, in the Appleton area, I can eat fast, casual or dine in a fine and elegant fashion. My choice.

In the greater Fox Cities area, I can choose whether to have a cocktail in an establishment that allows smoking, or prohibits it. Again, my choice.

Regretfully, I have no such option when it comes to my home video provider. Due to the number of mature trees on my block, satellite or dish TV is not an option. Therefore, I have no other "choice" than our area's one and only cable provider.

Hopefully, by the end of the day Tuesday, Senate Bill 107 and Assembly Bill 207 will give me that option. That is when the Wisconsin Video Competition Act comes to a vote before the Wisconsin state Senate and Assembly.

The Wisconsin Video Competition Act will foster a competitive marketplace here and throughout the state.

Competition created by these bills will encourage capital investment in Wisconsin, attract new jobs and bring much needed economic growth to the area.

Allowing other vendors into the video market will also result in more competitive pricing and better service, something we will all benefit from.

As consumers, we deserve a choice.

Paul Barker, Grand Chute



# Letters: Legislation would promote cable TV competition

Oshkosh Northwestern

April 24, 2007

I support passage of the Wisconsin Video Competition act currently before the state Legislature.

Let me tell you why.

This legislation will ease the entry of competing video services in one fell swoop. The current process stands in the way of consumers realizing the benefits of competition in a timely manner.

How long do we have to endure rising prices from the current cable providers without true competition? I don't know about you but I would like to see the future of TV much sooner and realize the benefits of a competitive marketplace. Opponents would like you to believe that passage of this bill will result in elimination of public, education, government monies and other fear tactics. Recent amendments ensure funding continuation for PEG programming and service assurances. The truth is this is good for consumers. Period. What does this mean to you and me?

Lower prices, better service and choice. Please join me in supporting this groundbreaking legislation by calling your state representatives and ask them to support the Wisconsin Video Competition Act (SB 107/AB 207)

Mike Wolff Oshkosh

# KENOSHA NEWS

# Competition would save money for cable customers

Letter to the Editor Kenosha News May 5, 2007

Like everyone, I am tired of the constant rate hikes from my cable TV provider and I am excited to hear that I may soon have more choices in video providers.

Right now, I can choose between numerous options for phone, cellular and Internet services. Prices have continued to fall in all those categories as those companies have had to compete for my business. The one bill I receive each month that consistently rises is the bill I pay to my cable company. Not surprisingly, that is also the service for which I have the fewest choices.

I truly hope our state legislators vote – and quickly – on the side of Wisconsin consumers and pass the Wisconsin Video Competition Act. Competition has saved consumers money in every other market in which it is available and we deserve to see those same savings in our monthly cable bills.

Shelby Schuler